

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 16, 2001**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 16, 2001 commencing at 7:02 a.m.

A. ROLL CALL

Present: Council Members – Hitchcock, Howard, Land, Pennino and Mayor Nakanishi

Absent: Council Members – None

Also Present: City Manager Flynn, City Attorney Hays, and City Clerk Blackston

B. CITY COUNCIL CALENDAR UPDATE

City Clerk Blackston reviewed the weekly calendar (filed).

Announcements

City Manager Flynn announced that the Walk for Special Olympics took place last Saturday. Three hundred people participated and \$30,000 was raised.

C. TOPIC(S)

(NOTE: The Shirtsleeve topics were heard and discussed out of order.)

C-2 "Update regarding proposed Peaking Power Plant project"

NOTE: Due to a potential conflict of interest, Mayor Pro Tempore Pennino abstained from discussion on this matter and vacated his seat.

Electric Utility Director Vallow reported that negotiations with the Department of Water Resources (DWR) to site a power plant in Lodi have been successful. Staff will be scheduling this item on a future regular City Council agenda, possibly as soon as next week, to ask for approval to move forward on the plant. The project, which is called The Lodi Energy Center, is contingent upon the ability to site the plant in Lodi, getting a gas supply, and financing it in a manner that is negotiated in the contract. Mr. Vallow recommended that infrastructure for a high-pressure 6" gas pipeline be developed along the Central California Traction Company (CCTC) existing right of way. The project is estimated at \$41 million, in addition to costs related to gas supply and electrical interconnection. Mr. Vallow explained that Council would be asked to approve the power plant construction and a long-term power purchase from DWR of approximately 15 megawatts of power for 15 years.

Council Member Land asked whether the City or Lodi Gas Storage would own the gas supply infrastructure.

Mr. Vallow indicated that the City would own, operate, and maintain the gas supply infrastructure and Lodi Gas Storage would own the interconnection and meter.

In response to Council Member Land, City Manager Flynn explained that in the agreement, DWR would pay for all the power, and those funds would then pay for the financing cost.

In reply to Council Member Howard, Mr. Vallow stated that the electrical interconnection is estimated to cost \$300,000 to \$400,000 and the gas supply infrastructure would cost \$3.5 to \$4 million. The contingency built into the contract would allow the total project cost to reach \$6 million.

In answer to Mayor Nakanishi, Mr. Vallow explained that the long-term power purchase of 15 megawatts is a "take or pay" peak energy sale for 15 years, six days a week, 16 hours a day. This amount would pay the fixed carrying costs, as well as the operating and maintenance costs.

C-1 "Waste Removal Contract"

NOTE: Mayor Pro Tempore Pennino returned to the Council table at 7:25 a.m. and participated in the discussions for the remainder of the meeting.

Public Works Director Prima reminded Council that last summer staff was directed to work on renegotiating, i.e. extending, the franchise agreement with Central Valley Waste Services (CVWS) for the City's solid waste collection. Also at that time the issue was raised of residential curbside collection of used motor oil. Mr. Prima provided details of the City of Manteca's oil collection service as outlined under Concept 1 on the document submitted to Council entitled, "Central Valley Waste Services Franchise Agreement – Proposed Agreement Concepts" (filed). Due to concerns about oil spillage and drainage issues, staff's preliminary recommendation is not to institute such a service in Lodi, as there are other more feasible alternatives for disposal of oil.

Tom Sanchez, Regional Manager, reported that CVWS accepts, without charge, up to two gallons of oil at its transfer station. In addition there are several drop-off centers operated by the county.

In response to questions by Mayor Nakanishi, Mr. Prima explained that some oil enters the storm drains from road and parking lot surfaces. In order for oil to get into the pipes that go to White Slough, residents would have to dump the oil inside their home plumbing, which is unlikely to occur. Mr. Prima believed that the best way to prevent the illegal dumping of oil in catch basins is through education and increased services at various collection facilities.

In reference to Concept 2, Mr. Prima recommended that the City charge the same rate to commercial and residential customers for the same three-cart collection service. Currently, residential customers pay \$18.56 for a 38-gallon refuse cart with once a week service, while commercial customers pay \$18.41.

Council Member Land suggested that apartment owners and residents should be encouraged to implement recycling programs.

Mr. Prima explained that apartments have the option of individual carts, or a large refuse container. He recommended that the billing be changed so that if individual carts are used it is billed to the tenant, and if a container is used it is billed to the apartment owner. If large containers are used it would be the responsibility of the owner to work with their tenants on recycling.

In reference to Concept 3, Mr. Prima recommended that recycling containers be offered to container customers free of charge, and that the cost be rolled into the refuse rates, as is done with cart service. Similarly, under Concept 4, Mr. Prima explained that staff's recommendation is to roll the cost for commercial containers into the refuse rates. Currently, commercial customers rent containers and receive two bills.

Mr. Prima stated that Concept 5 addresses the recommendation to limit three recycling and yard and garden carts per customer, beyond which there would be a charge.

Referencing rates under Concept 6, Mr. Prima explained that the current rate methodology is complex and noted that CVWS has proposed a fixed price for the next three years at an increase of 1.5% per year.

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In reply to Council Member Howard, Mr. Prima provided the following statistics related to rate increases:

- 1993 – 14.6% (instituted the three-cart refuse collection service)
- 1994 – 8%
- 1995 – none
- 1996 – 3.5%
- 1997 – 6%
- 1998 – 1.35%
- 1999 – 3.4%
- 2000 – 1%
- 2001 – none

Council Member Land and Mayor Nakanishi expressed support for a fixed-rate price with an annual 1.5% increase.

Mayor Pro Tempore Pennino favored additional discussion on the issue and indicated that the 1.5% increase may not be necessary, if through efficiencies, CVWS costs can be contained.

Mr. Prima referenced Concept 7 and noted that CVWS would like a seven-year extension on the agreement.

Council Member Land stated that he would like staff to get public input on this issue and report back to Council.

Mayor Pro Tempore Pennino asked staff to add an additional concept (8) and explore the advantages and disadvantages of CVWS doing its own billing.

Mr. Prima commented that reporting of construction waste recycling should be improved.

Council Member Hitchcock concurred with Council Member Land on the need to get public input. She asked that when the issue is brought back to Council, it be placed on the Regular Calendar and a full staff presentation be given.

PUBLIC COMMENTS:

- Jim Baum stated that he owns and operates the Almond Drive and Shady Acres Mobile Home Parks. In June he sent a letter and photos to the City Council showing spills of garbage and oil in his mobile home parks. He stated that he has received at least six assurances that the problem would be taken care of; however, it has not been. He urged the Council not to extend the contract with CVWS unless it guarantees that the oil spill problem will be resolved. He recalled that when he began operating Shady Acres Mobile Home Park 35 years ago the garbage rate for the entire park was \$18 a month. Today the rate is \$1,326 a month. This is an increase of 737%, an average of 21% a year. Mr. Baum commented that, in comparison, his space rent for the park has only increased an average of 4% a year.

Mr. Sanchez replied that CVWS has taken Mr. Baum's complaints seriously and the company has done everything it can to resolve the problem.

Alex Oseguera, District Manager, added that CVWS is in the process of replacing its fleet with new vehicles.

City Manager Flynn reported that he has observed oil spraying out onto the road when the truck hydraulic systems are being used.

Mayor Nakanishi asked the City Manager to provide the Council with an executive summary regarding waste service rates.

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D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

E. ADJOURNMENT

No action was taken by the City Council. The Shirtsleeve Session was adjourned to a Special Closed Session meeting at 8:18 a.m.

ATTEST:

Susan J. Blackston
City Clerk

Mayor's & Council Member's Weekly Calendar

WEEK OF OCTOBER 16, 2001

Tuesday, October 16, 2001

- 7:00 a.m. Shirtsleeve Session
1. Waste Removal Contract (PW)
 2. Update on proposed Peaking Power Plant project (EUD)
- 7:00 a.m. Special meeting ~ Closed Session
1. Actual litigation: Government Code §54956.9(a); one case: Foreman / Quenzer v. City of Lodi et al., San Joaquin County Superior Court Case No. CV 009074
- 9:00 a.m. Nakanishi. Senior Citizens Commission meeting regarding "Senior Concerns," HSS ~ Cottage Room.
- 8:00 - 7:00 p.m. Redevelopment Agency (RDA) Project Area Committee (PAC) Election, Carnegie Forum. City Clerk staff to conduct election.
- 10:00 - 1:00 p.m. Assembly Select Committee on the Future of Farming in California meeting, University of California Cooperative Extension, Stockton.
- 6:00 p.m. Nakanishi. National Business and Professional Women's dinner meeting, Travis' restaurant, 904 W. Lodi Avenue. Mayor to present proclamation.

Wednesday, October 17, 2001

- 7:00 p.m. Council meeting.
- One Closed Session item (NOTE: 6:15 p.m.)
- 2 presentations
- 15 Consent Calendar items
- One Public Hearing
- 3 Regular Calendar items

Thursday, October 18, 2001

- 5:30 - 7:00 p.m. Ribbon cutting at Eddie's Pizza, 1413 S. Church Street.

Friday, October 19, 2001

- 9:00 a.m. Central Valley Regional Water Quality Control Board meeting, Fresno.
- 11:45 a.m. Nakanishi, Land and Pennino. Chamber of Commerce Mayor's State of the City Luncheon, Hutchins Street Square ~ Crete Hall.

Saturday, October 20, 2001

- 6:00 p.m. Nakanishi. United Cerebral Palsy honoring Dr. Guillermo Vicuna, founder of Su Salud, Radisson Hotel. Mayor to present proclamation.

Sunday, October 21, 2001

Monday, October 22, 2001

Disclaimer: This calendar contains only information that was provided to the City Clerk's office

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filed 10-16-01



Central Valley Waste Services Franchise Agreement Proposed Agreement Concepts

Central Valley Waste Services has provided waste removal for the City of Lodi since July 1, 1989. The City has the option of extending this service by giving notice to the contractor eighteen months before the contract expires, no later than January 1, 2002. There are seven concepts the City is discussing with Central Valley Waste Services in regards to the renewal of a contract.

Concept 1 – Residential curbside oil collection

- CVWS could offer residential curbside oil collection.
- Pickups would occur twice a month falling on scheduled service days for commingled recycling.
- Customer would need to call ahead for pickup.
- Manteca, CA system:
 - Residents are supplied with a special container (purchased with grant funds).
 - Residents place the filled container at the curb on their scheduled pickup day, with a call ahead required.
 - The trucks are equipped with special boxes to hold the containers
 - Once picked up, the drivers replace with an empty container
 - Containers are brought back to transfer station and emptied into drums
 - This oil is later siphoned out for recycling
 - There is a \$2/month charge to all customers.
- There are concerns with spillage and storm drainage.
- There are many details to work out, but cost with customer-furnished containers would be roughly \$1/month for all customers.

Concept 2 – **Identical Rates for Identical Service**

- Commercial and residential customers should pay the same rate for the same 3-cart collection system.
- Currently, residential and commercial customers pay two different rates for the same service.
- For example, a 38 gallon refuse cart with once a week service is \$18.56 for residential and \$18.41 for commercial.

Concept 3 – **Recycling Container Service**

- Presently, unlike cart service, there is a charge for customers who use containers for recycling.
- Propose that two commercial recycling containers would be offered to each container customer with no additional fees.
- Containers would be offered in two and four cubic yard sizes.
- Once a week service would be offered.
- Cost would be rolled into refuse rates as is done with cart service.

Concept 4 – **Commercial Containers**

- Presently, Central Valley Waste Services charges a rental fee for containers.
- Propose that the container cost be included in the service fee.
- The customer would then receive only one bill.
- Cost would be rolled into refuse rates as is done with cart service.

Concept 5 – Recycling and Yard & Garden Cart Limits

- The agreement now allows residents to have as many carts as they wish; some customers may be abusing this privilege.
- Propose that each customer may use up to three recycling and three yard & garden carts with no additional fee.
- There would be a charge for the fourth cart (recycling or yard & garden) per customer at a rate of less than \$10/month.

Concept 6 – Establish & Maintain Rates for Three Years

- Rate increases have averaged less than 1.5% a year (1998-present)
- Rates were not increased this past year.
- CVWS proposes to set rates that would be locked in for three years covering April 1, 2002 through March 31, 2005.
- Rate increase would be approximately 1.5% per year.
- Subsequent adjustments to be determined.

Concept 7 – Seven Year Extension to the Franchise Agreement

- CVWS proposes the agreement be renewable in seven year increments.
- Notice of renewal is to be given no later than 18 months prior to expiration.
- This extension would be effective from July 1, 2003 until June, 2010

filed 10-16-01

35 years

Vaccarizza / ~~Bochagallupi~~
BOCHAGALLUPI

Tomatoes

Garbage rate Then 18⁰⁰ per month

Now 1326⁶⁰

Increase 737 %

Average increase 21 % per year

Rent rate then 18⁰⁰ per Month

Now 233⁵⁰

Increase 129 %

Average 4 % per year

CITY CLERK'S NOTE: This document
was submitted by Jim Baum at the 10/16/01
Shirtsleeve Session.
cc: CM, CA, PW, Council